



The Florida Senate

Interim Project Report 2006-119

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Committee on Education Appropriations

Senator JD Alexander, Chair

WORKFORCE EDUCATION FUNDING REVIEW

SUMMARY

The method for allocating state funding for postsecondary Workforce Education has undergone significant revision in recent years. While the current allocation procedures have resulted in improved program performance, they do not address increased demand for workforce training. In addition, opportunities for place-bound citizens to access workforce training, and for employers to have access to a supply of skilled workers, are not evenly distributed across the state. This interim project reviews the current funding allocation policies for state Workforce Education funding, and provides recommendations to address deficiencies.

BACKGROUND

Public funding for postsecondary Workforce Education (WFE) in Florida is provided through a variety of agencies and fund sources. Federal Workforce Investment Act (WIA), Wagner-Peyser, and Temporary Assistance to Needy Families (TANF) funds flow through the Agency for Workforce Innovation to Regional Workforce Boards to address the workforce education needs of specific target groups. Federal vocational rehabilitation funds and associated state matching funds are directed through the Divisions of Vocational Rehabilitation & Blind Services of the Department of Education to assist with meeting special needs to facilitate employability & independence of persons with disabilities. State public postsecondary workforce development education funds are appropriated to school districts and community colleges to provide adult basic and general education and to provide career education programs to individuals whose primary purpose for enrollment is to become employed.

This interim project addresses only the methodology for allocating state support to public postsecondary workforce development education programs authorized

in sections 1004.91 through 1004.98, Florida Statutes. These include:

Career-preparatory Instruction – provides instruction to address deficiencies in basic skills required in state curriculum frameworks for career education programs.

Career Education - vocational and technical instruction designed to allow completers to attain and sustain employment and realize economic self sufficiency. These programs typically culminate with the award of a certificate or diploma.

Continuing Workforce Education – instruction designed to enhance one’s proficiency in a specific skill. This instruction is generally limited to an individual course.

Adult Basic and General Education - instruction to provide basic and functional literacy skills, and to allow students to acquire a high school diploma or complete the General Education Diploma test.

For FY 2005/06, state funding for public postsecondary workforce education operations consisted of the following:

| | |
|--------------------------------|-----------------|
| School Districts..... | \$398.7 million |
| Community Colleges..... | \$466.7 million |
| Critical Jobs Initiatives..... | \$31 million |

These programs also receive support from federal sources, the most significant of which are Vocational Formula Funds (\$77.1 million), and Adult Basic Education Federal Flow-Thru Funds (\$41.6 million).

Program providers are also authorized in statute to collect fees from students. However, students enrolled in adult basic and general education courses and apprenticeship programs are statutorily exempt from paying fees.

How the state allocates funding to support adult postsecondary workforce education has evolved significantly in recent years. The consistent policy has been that the legislature has designated amounts in the

General Appropriations Act for individual school districts and community colleges. The factors which have been used to determine these allocations have included:

Full-Time Equivalency and Unit Cost Data – this policy assigns funding values to specific programs based upon historical expenditure information. Using this information, school districts and community colleges are allocated resources based on full-time equivalent (FTE) student enrollment. The strengths of this system include:

- Similar programs around the state receive uniform funding based on statewide expenditure analyses.
- Changes in workload based on FTE data are readily measured.
- State funding allocations are predictable, making local planning and budgeting easier.

Weaknesses of this method include:

- Despite repeated efforts to ensure uniformity in FTE reporting, workforce program audits frequently found significant errors and inconsistencies which eroded confidence in this data for funding purposes.
- Calculating FTE based on periodic surveys works well for K-12 formula (FEFP) funding because the state has compulsory attendance laws for K-12 students. This process is not as well suited for adult programs, because there are not mandatory attendance requirements. As stated earlier, many of these students are also exempt from paying fees. Consequently, past FTE reporting for these programs often resulted in full state funding distributions to institutions for many students who rarely, if ever, attended classes.
- Institutions have no incentive to eliminate programs with poor outcomes or to expedite student completions, because doing so eliminates FTE and reduces funding.

Performance Based Funding – this policy allocates funding based on program outcomes. Under the present performance-based policy employed by the state to allocate WFE funding, the factors recognized include program completions, occupation and literacy completion points, employment of program completers, and success in serving targeted populations. Strengths of this approach include:

- providers are financially encouraged to adapt programs to address priorities established by

the state and recognized as fundable outcomes.

- many measurable program outcomes are not as subject to manipulation by reporting institutions as FTE data.
- rewards programs for serving students and meeting demands of employers rather than for maintaining high program enrollments.

Problems with this approach as it is currently implemented include:

- the manner in which performance is weighted for specific outcomes does not always appear to adequately recognize differences in the cost and effort for producing different outcomes. In addition, it appears to “double count” certain types of performance, resulting in favorable treatment to some target populations or areas of the state.
- all other things being equal, institutions with relatively larger base funding per student are better situated to earn performance funding than institutions with lower per-student funding.
- this methodology does not adjust for changing workload.

Chapter 97-307, Laws of Florida (SB 1688), established in statute a system for allocating WFE funds to community colleges and school districts which is based 85% on prior year funding levels and 15% on performance. This procedure has never been totally applied. From FY 1999-00 through FY 2001-02, and again in FY 2004-05 and 2005-06 for school districts only, performance outcome data was used in a marginal fashion to adjust WFE allocations.

Beginning with FY 2002-03, WFE funds for community colleges were combined into calculations used to produce the Community College Program Fund (CCPF) allocation. This has resulted in more favorable funding for WFE programs operated by community colleges in comparison to similar programs operated by school districts.

Since 1997, demand for access to WFE programs and numbers of students actually served in these programs has received little consideration in the allocation of funds.

METHODOLOGY

The purpose of this interim project is to examine how state allocations for public postsecondary workforce education compare to geographical needs. There are a

number of factors available to project need for workforce education on a geographic basis. These include regional unemployment data, demographic data, high school completion and dropout data, college attendance rates for high school completers, public assistance data, and immigration data. While it is possible to construct projected demand and flow models using this information, this project focuses solely on the use of demographic data. This information is readily available, is predictable, and is not subject to manipulation by institutions receiving state support to provide services. When the geographic areas used to capture and analyze this data are sufficiently large, the unique needs of specific areas become less significant or offsetting.

FINDINGS

The following Table shows the state population, ages 15-49 for each of the state’s 28 community college service areas. This population group was chosen because it represents approximately 90% of the students enrolled in Florida’s public postsecondary workforce education programs.

TABLE 1
Community College Service Areas
Adult Population

| Community College | Counties in CC Service Area | Population Ages 15 to 49 Jan. 1, 2005 |
|-------------------|---|---------------------------------------|
| Brevard | Brevard | 230,957 |
| Broward | Broward | 852,713 |
| Central Florida | Citrus Levy Marion | 178,570 |
| Chipola | Calhoun Holmes Jackson Liberty Washington | 55,429 |
| Daytona Beach | Flagler Volusia | 238,083 |
| Edison | Charlotte Collier Glades Hendry Lee | 410,516 |
| FCCJ | Nassau Duval | 471,550 |
| Florida Keys | Monroe | 37,061 |
| Gulf Coast | Bay Franklin Gulf | 89,456 |
| Hillsborough | Hillsborough | 571,707 |
| Indian River | Indian River Martin Okeechobee Saint Lucie | 213,934 |
| Lake City | Baker Columbia Dixie Gilchrist Union | 64,889 |
| Lake Sumter | Lake Sumter | 126,522 |
| Manatee | Manatee Sarasota | 248,711 |
| Miami Dade | Dade | 1,202,913 |
| North Florida | Hamilton Jefferson Lafayette Madison Suwannee Taylor | 55,860 |
| Okaloosa Walton | Okaloosa Walton | 118,036 |
| Palm Beach | Palm Beach | 540,778 |
| Pasco Hernando | Hernando Pasco | 207,963 |
| Pensacola | Escambia Santa Rosa | 224,829 |
| Polk | Polk | 237,656 |
| Saint Johns River | Clay Putnam Saint Johns | 185,804 |
| Saint Petersburg | Pinellas | 409,615 |
| Santa Fe | Alachua Bradford | 158,761 |
| Seminole | Seminole | 213,014 |
| South Florida | Desoto Hardee Highlands | 62,123 |
| Tallahassee | Gadsden Leon Wakulla | 196,833 |
| Valencia | Orange Osceola | 685,174 |
| Total | | 8,289,457 |

Table 2 summarizes state support for public postsecondary workforce education for each of the 28 community college service areas:

TABLE 2
Community College Service Areas
Community College/School District Workforce Education Funding

| Community College -1- | Community College Allocations -2- | School Districts in Service Area -3- | School District Allocations -4- | Total WFE Funding Allocation -5- |
|-----------------------|-----------------------------------|---|--|----------------------------------|
| Brevard | \$15,840,234 | Brevard | \$2,900,682 | \$18,740,916 |
| Broward | \$34,230,416 | Broward | \$68,682,485 | \$102,912,901 |
| Central Florida | \$8,735,479 | Citrus Levy Marion | \$2,774,968 \$3,149,158 | \$14,659,605 |
| Chipola | \$3,653,174 | Calhoun Holmes Jackson Liberty Washington | \$179,355 \$551,746 \$21,075 \$3,457,827 | \$7,863,177 |
| Daytona Beach | \$31,096,962 | Flagler Volusia | \$2,680,891 | \$33,777,853 |
| Edison | \$8,589,039 | Charlotte Collier Glades Hendry Lee | \$2,962,897 \$7,157,009 \$7,773 \$385,037 \$10,961,970 | \$30,063,725 |
| FCCJ | \$42,556,819 | Nassau Duval | \$161,238 | \$42,718,057 |
| Florida Keys | \$3,351,365 | Monroe | \$775,311 | \$4,126,676 |
| Gulf Coast | \$8,057,661 | Bay Franklin Gulf | \$3,558,479 \$58,927 \$169,736 | \$11,844,803 |
| Hillsborough | \$20,495,920 | Hillsborough | \$32,185,763 | \$52,681,683 |
| Indian River | \$29,793,975 | Indian River Martin Okeechobee Saint Lucie | \$859,697 \$2,284,326 | \$32,937,998 |
| Lake City | \$7,171,308 | Baker Columbia Dixie Gilchrist Union | \$180,953 \$343,288 \$64,339 \$3,405 \$170,944 | \$7,934,237 |
| Lake Sumter | \$4,248,633 | Lake Sumter | \$4,675,133 \$279,766 | \$9,203,532 |
| Manatee | \$6,253,608 | Manatee Sarasota | \$6,616,599 \$10,284,210 | \$23,154,417 |
| Miami Dade | \$69,843,878 | Dade | \$101,431,187 | \$171,275,065 |
| North Florida | \$2,449,883 | Hamilton Jefferson Lafayette Madison Suwannee Taylor | \$76,662 \$192,890 \$46,055 \$1,053,284 \$1,448,420 | \$5,267,194 |
| Okaloosa Walton | \$7,143,364 | Okaloosa Walton | \$2,520,327 \$102,013 | \$9,765,704 |
| Palm Beach | \$25,099,758 | Palm Beach | \$15,713,332 | \$40,813,090 |
| Pasco Hernando | \$9,557,797 | Hernando Pasco | \$521,416 \$3,627,228 | \$13,706,441 |
| Pensacola | \$17,650,940 | Escambia Santa Rosa | \$5,228,544 \$1,817,726 | \$24,697,210 |
| Polk | \$7,181,335 | Polk | \$11,477,342 | \$18,658,677 |
| Saint Johns River | \$5,623,294 | Clay Putnam Saint Johns | \$700,939 \$426,102 \$6,126,402 | \$12,876,737 |
| Saint Petersburg | \$24,556,816 | Pinellas | \$27,089,886 | \$51,646,702 |
| Santa Fe | \$13,912,938 | Alachua Bradford | \$1,419,299 \$938,807 | \$16,271,044 |
| Seminole | \$21,159,811 | Seminole | \$918,975 \$296,719 | \$21,159,811 |
| South Florida | \$9,530,268 | Desoto Hardee Highlands | \$918,975 \$296,719 | \$10,745,962 |
| Tallahassee | \$6,049,119 | Gadsden Leon Wakulla | \$631,137 \$6,019,922 \$295,904 | \$12,996,082 |
| Valencia | \$22,827,676 | Orange Osceola | \$35,203,785 \$4,822,633 | \$62,854,094 |
| Total | \$466,661,471 | | \$398,691,923 | \$865,353,394 |

TABLE 3
Community College Service Areas
Workforce Education Funds per Capita

| Community College -1- | School Districts in Service Area -2- | Workforce Funds per Capita -3- |
|-----------------------|---|--------------------------------|
| Brevard | Brevard | \$81.14 |
| Broward | Broward | \$120.69 |
| Central Florida | Citrus Levy Marion | \$82.09 |
| Chipola | Calhoun Holmes Jackson Liberty Washington | \$141.86 |
| Daytona Beach | Flagler Volusia | \$141.87 |
| Edison | Charlotte Collier Glades Hendry Lee | \$73.23 |
| FCCJ | Nassau Duval | \$90.59 |
| Florida Keys | Monroe | \$111.35 |
| Gulf Coast | Bay Franklin Gulf | \$132.41 |
| Hillsborough | Hillsborough | \$92.15 |
| Indian River | Indian River Martin Okeechobee Saint Lucie | \$153.96 |
| Lake City | Baker Columbia Dixie Gilchrist Union | \$122.27 |
| Lake Sumter | Lake Sumter | \$72.74 |
| Manatee | Manatee Sarasota | \$93.10 |
| Miami Dade | Dade | \$142.38 |
| North Florida | Hamilton Jefferson Lafayette Madison Suwannee Taylor | \$94.29 |
| Okaloosa Walton | Okaloosa Walton | \$82.73 |
| Palm Beach | Palm Beach | \$75.47 |
| Pasco Hernando | Hernando Pasco | \$65.91 |
| Pensacola | Escambia Santa Rosa | \$109.85 |
| Polk | Polk | \$78.51 |
| Saint Johns River | Clay Putnam Saint Johns | \$69.30 |
| Saint Petersburg | Pinellas | \$126.09 |
| Santa Fe | Alachua Bradford | \$102.49 |
| Seminole | Seminole | \$99.34 |
| South Florida | Desoto Hardee Highlands | \$172.98 |
| Tallahassee | Gadsden Leon Wakulla | \$66.03 |
| Valencia | Orange Osceola | \$91.73 |
| Total | | \$104.39 |

Table 3 displays state support for public postsecondary workforce education on a per-capita basis for each of the state’s 28 community college service areas, based on population, ages 15 – 49.

The broad variation of state support for public postsecondary workforce education on a per-capita basis results in residents of some areas of the state having access to better job training opportunities than others. Economic development is also affected, as employers are more likely to locate in areas which are able to produce a better educated workforce.

This uneven distribution of state funding is

attributable to a number factors:

- Prior to 1997, funding was generally allocated to school districts and community colleges based on student demand for the programs they offered and specific initiatives which were pursued by individual institutions. Some districts and colleges were more successful in recruiting students, and therefore received more funding on a per-capita basis. In part, this may have been attributable to the mix and quality of the specific programs offered.
- Some colleges and school districts have been able to successfully influence the legislative process to receive special funding allocations from time to time.
- Base funding allocations are not routinely reconciled to enrollment or demographic data.
- Performance outcomes used to allocate funds have resulted in some areas of the state receiving more funds than others.
- In some counties, public WFE is provided by a community college only. In other counties, public WFE is provided by both a school district and a community college. Since legislative policies allocating WFE funds to school districts have been different than those which provide WFE funds to community colleges, per-capita funding in a particular area is affected by which public provider is responsible for offering workforce education.

During the 2005 Legislative session, an issue arose in which apprenticeship organizations providing services in one area of the state, sought funding from an institution in a different geographic region. While the service provider institution in the affected area disagreed with the contention of the apprenticeship organizations that their educational needs were not being addressed, the apprenticeship organizations were dissatisfied and ultimately changed their affiliation for receiving state-supported workforce education services. Different governance issues regarding service areas and duplication of services by more than one provider in the same service area have surfaced in past years. These types of disputes can, in part, be attributed to previous funding policies which have resulted in an uneven distribution of resources and have guaranteed allocations to specific educational providers. The program providers have complete autonomy over which workforce education

programs are offered and how instruction is delivered.

RECOMMENDATIONS

- The Legislature may want to consider regional demographic data when allocating state resources for adult workforce education. This would enable all regions of the state to offer comparable opportunities to residents. This would also provide a mechanism which adjusts funding based on changes in eligible populations. If this change is adopted, it is recommended that it be implemented in a way that does not reduce current funding levels for program providers.
- The Legislature should review weighting criteria being used by the Department of Education to calculate WFE performance to ensure proper emphasis is being placed on high priority outcomes.
- If the Legislature chooses to allocate WFE funds on demographic data, or some alternative workload measure, it should give strong consideration to continuing to make marginal adjustments based on program performance outcomes. This provides a strong financial incentive for providers to maintain effective programs.
- The Legislature may want to consider limiting the expenditure of public funds to the service area of the program providers.
- The Legislature may want to consider establishing an independent appeal procedure, similar to the procedure used to resolve disputes between school districts and charter schools, to arbitrate disputes such as the one involving the apprenticeship programs which provided services in one area and received funding for those services from a provider in another area.